

City Of Tucson

Plan for Annexation

**Prepared by the
Department of Urban Planning & Design**

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City of Tucson Plan for Annexation

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1. INTRODUCTION

In 1877, the original boundary of the City of Tucson was formed, consisting of two square miles. In 1905, the City began its long history of annexation by almost doubling the size of the City to just under four square miles. Two hundred and fourteen (214) annexations later, the City of Tucson is approximately 226 square miles. Although the City has pursued annexation consistently throughout its history, the City has not always been strategic in this pursuit. This document will explain why annexation is important, what the City's annexation goals are in terms of how much annexation is ultimately desirable, and what annexation strategies are recommended, including desired changes in annexation law.

2. BACKGROUND

Current Annexation Policy

Annexation is currently guided by policy that was approved by Mayor and Council in 1992:

1. Fiscal Policy – Annex areas that are cost-effective on a five-year basis and aggressively pursue “annexations of opportunity.”
2. Procedural Policy – Annex areas utilizing the adopted Mayor and Council procedures that conform with state law.
3. Efficiency Policy – Annex areas that are located in close proximity to City operations that possess excess service capacity, thereby promoting economies of scale of operations.
4. Urban Services Policy – Prioritize and annex areas according to the quality of existing infrastructure, population density, and the development potential of underutilized and/or vacant land.
5. Equitable Composition Policy – Prioritize and annex areas that promote a cross-section of the community and economic and social heterogeneity and diversity.
6. Marketing and Educational Policy – Formulate and implement a marketing plan that informs and educates potential City residents on the benefits of annexation, surveys public concerns and receptiveness, and provides a more visible and participatory role for the Mayor and Council.

There has not been a formal change in annexation policy since 1992.

Analysis of Current Policy

Although the current policy helped guide annexation for the last ten years, it is time to consider a broader policy that is based on the significance of annexation in the pursuit of the future viability of our City.

The current policies are a mixed bag of statements, some speaking to procedures for annexation, some speaking to how to prioritize specific areas, and some “tests” that are to be used in determining whether or not to pursue a specific annexation. The fiscal policy is one such “test” that has proven to not be flexible enough for the various annexations. For large annexations of

vacant land where development is forthcoming, the five-year window is too short to include total build out of the development. In these cases, the five-year analysis tends to result in a deficit, although a long-term analysis shows a financial surplus to the City year after year.

Another case where the financial policy has caused concern is where an annexation is pursued primarily to get to an adjacent area that is highly desirable (in terms of revenue, or strategic location). A hypothetical example is where the City is interested in annexation of a large resort or shopping mall, but is not currently contiguous to the desired annexation. In this case, the area between the desired annexation and the existing City limits would need to be annexed. This “bridge” area may not provide a cumulative five-year surplus to the City (although if the desirable annexation and the bridge annexation were analyzed together, the financial impact would be positive). A financial analysis should continue to be completed for future annexations, but it should only comprise one piece of information that makes up the full analysis used in deciding whether or not to pursue a specific annexation.

A new, more encompassing policy is included later in this plan. The new policy incorporates both the strategic direction based on a set of guiding principles, and also provides direction when looking at specific annexation areas.

Current Practice/Recent History

In addition to the 1992 policy, annexation progress by the City of Tucson has been affected by State law. Current State annexation law dictates the following procedure:

1. An annexation map is drawn that must touch the existing City border for at least 300 feet. The length of the area cannot be more than twice the width and must be at least 200 feet wide.
2. The annexation map is filed with the Pima County Recorder and the City holds a public hearing.
3. The City gathers signatures of the property owners that are in favor of the annexation. There is a one-year time limit to gather signatures.
4. Signature Requirement: The City must obtain signatures from owners that together have 50% or more of the assessed value of the area. The number of property owners signing must represent more than 50% of the total number of property owners (real and personal property owners). Example: An area has 10 property owners and an assessed value of \$1,000,000. The City must get signatures from at least 6 property owners and the value of their property must be at least \$500,000.
5. The City adopts an ordinance officially annexing the area.

The signature gathering process is labor intensive and time consuming. Convincing unincorporated urban residents to sign an annexation petition can be challenging for several reasons:

- Pima County provides many urban services that are paid for from property taxes collected from residents in cities, towns and unincorporated areas (i.e., city residents pay city taxes for urban services, but unincorporated residents do not pay additional for urban services that are targeted in unincorporated areas, such as the Sheriff). As noted author David Rusk states, having county governments provide municipal-type services, “is the worst of all possible worlds for central cities...[as this] removes all incentives for suburban land developers or future suburban residents to support municipal annexation.”

- The public is aware of the City’s service and infrastructure deficits within the City and this is not reassuring to would-be residents.
- City annexation brings additional regulations/code requirements that some businesses oppose.
- Some oppose their perception of City politics (i.e., too liberal, too conservative).
- For some, annexation will result in additional costs (taxes) that are not offset by savings (garbage, fire, insurance). (For others, annexation saves money.)
- It is human nature to resist change, and annexation will bring a change to their lives.
- Finally, many myths exist, such as
 - School districts change with City annexation
 - City annexation will bring higher crime and other social ills to their neighborhood
 - City annexation brings more intensive zoning

The City has had success in annexing both developed and undeveloped land. However, the difficulty and time involved in annexing developed land has resulted in the City having more success in recent years in annexing vacant, undeveloped land. The large State land parcels in the southeast are one example of this.

3. WHY SHOULD THE CITY OF TUCSON PURSUE ANNEXATION?

This is a question that is frequently raised by current City residents and City staff at all levels: “Given the tremendous needs within our current city limits, why would we want to expand our borders and take on more people that bring with them more demand for City services?”

The primary reasons why the City of Tucson should pursue annexation are:

- **Annexation can help reduce the large unincorporated population around the City that hurts City residents and is bad for our community.**
- **Annexation can help reverse the trend of Tucson becoming a classic poorer central city with a more affluent suburban ring.**
- **Allow for Better Land Use and Infrastructure Planning to Prepare for Growth**
- **Annexation can give our community the legislative influence it deserves by including population that is in our metropolitan area, but not included in official census counts.**

a) Current Situation – Large, Unincorporated Urban Population

The Tucson metropolitan area is unusual in that the City of Tucson has a heavily populated ring around it that is not within a city or town. This “unincorporated” population impacts City of Tucson residents and all area residents.

In Arizona, counties are charged with being the local implementation arm of the state, with the unique responsibility to offer delegated state services, such as indigent health care, while at the same time serving the needs of a rural population. Cities, as independent governments, are responsible for the services needed by a dense, urban population, such as police, fire, traffic, parks, and garbage collection.

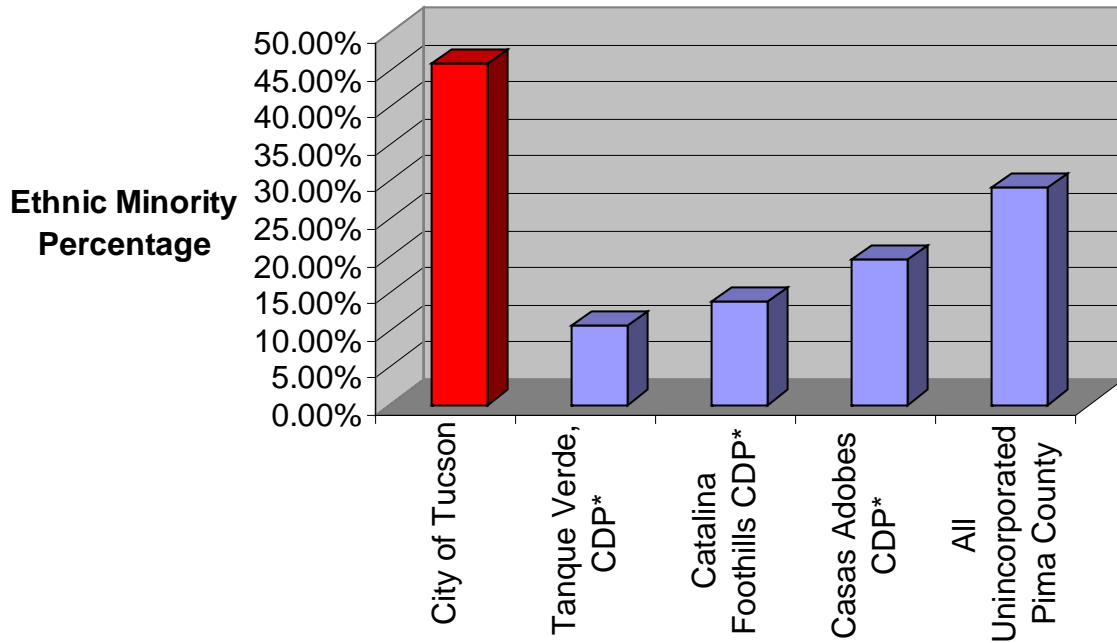
However, in Pima County, much of the unincorporated area is urban in nature. Approximately 290,000 Pima County residents live within metropolitan Tucson, but do not live in a city or town. With no municipal government to provide services, Pima County must provide urban services. This results in two large governments, both with an annual budget of about \$1 billion, providing urban services to the community.

This structure, with two large governments providing overlapping services, is inefficient and expensive to sustain. Pima County spends 24% more per capita than Maricopa County (general fund comparisons). This money goes, in part, to pay for traditionally urban services.

The results are:

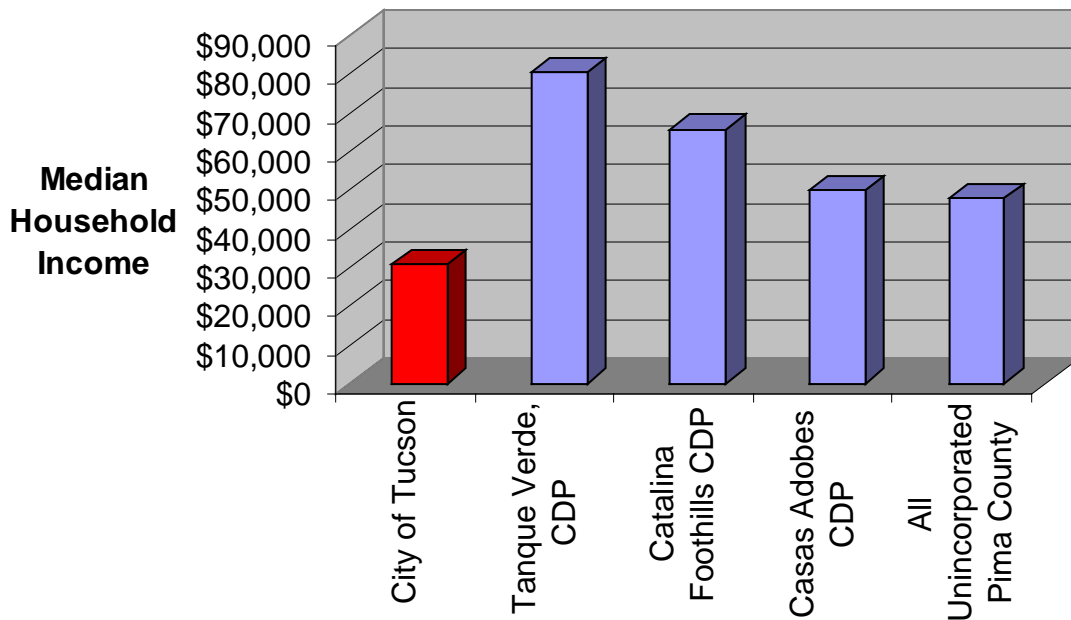
- Pima County has the highest property tax rate in the State. For each \$100 of assessed value, Pima County's tax rate is \$4.88; compare this to Maricopa County (metro Phoenix's county) of \$1.28 (2004 rates, primary and secondary). Pima County is only 64% incorporated; Maricopa County is 93% incorporated.
- The County's high property tax rate not only affects residents, it also affects the City's ability to properly fund services. The City is essentially squeezed out of assessing a higher property tax because Pima County is eating up capacity, i.e., the tax-paying capacity of our residents. The current City property tax rate is \$1.15 per \$100 of assessed value.
- Each year, the region misses out on approximately \$60 million of state-shared revenue. The State of Arizona provides funding to cities and towns based on the number of residents. Because of our large unincorporated population (about 325,000) who live within the metro Tucson area, but outside any city or town, our community gives up an estimated \$60 million in state-shared revenue.
- Our high county property tax has a negative influence on business location/ relocation decisions. A firm with substantial equipment, such as a manufacturing firm, that is comparing a location Pima County to one in Maricopa County quickly discovers that an large tax savings will result from locating in Maricopa County.
- Resources flow out of the City to fund services in the unincorporated area. Pima County levies a property tax that is the same rate for all county residents regardless of whether they live in a city or town or in the unincorporated area, yet many of the services are targeted at the unincorporated area, such as the Sheriff and Parks and Recreation programs. For example, City residents pay for the Sheriff to patrol the Catalina Foothills, not within the City limits, yet they pay the same property tax rate as a Catalina Foothills homeowner.
- There is a growing disparity between the central city and the unincorporated population in terms of socio-economic status, as evidenced by the following:
 - ✓ In 1970 the gap between the number of people living in poverty within the City of Tucson and those living in poverty in the balance of Pima County was 2.5%; the gap widened to 10% in 2000.
 - ✓ The assessed valuation within the City of Tucson grew 46% from 1990 to 2003, while the assessed valuation of the balance of Pima County grew by over 72% during this time
 - ✓ Other differences between the City of Tucson ("the core") and the unincorporated urban area ("the ring") can be seen in the following two charts:

Racial Differences, Core City vs. Ring



Note: "CDP" stands for Census Designated Place, which is an unincorporated area for which the Census Bureau has drawn a boundary for the purpose of collecting census data.

Economic Differences, Core City vs. Ring



Reversing these socio-economic trends through annexation, and thereby improving Tucson's demographic profile, is also very important to municipal bond rating agencies.

For additional discussion of this disparity, see “Tale of 2 Cities,” from *5 Trends Tucson?*, published by the City of Tucson’s Comprehensive Planning Task Force, February 2004.

How has Tucson grown? The unincorporated population has grown faster than the City population. Tucson’s original City limits comprised two square miles. Without annexation, Tucson would still be two square miles. If annexation does not keep pace with growth, the unincorporated population grows faster than the population within the City. This is exactly what has happened:

			Percentage Growth
	<u>1970</u>	<u>2000</u>	
Unincorporated Pima County	80,773	305,059	278%
City of Tucson	262,933	486,699	85%

b) Regional Solutions Needed - Cities Without Suburbs

Former Albuquerque Mayor and author David Rusk argues in his landmark book, Cities Without Suburbs that America must end the isolation of the central city from its suburbs in order to attack its urban problems. Rusk’s analysis, extending back to 1950, shows that cities trapped within old boundaries have suffered severe racial segregation and the emergency of an urban underclass. But cities with annexation powers – termed “elastic” by Rusk – have shared in area-wide development. Among Rusk’s points:

- “The real city is the total metropolitan area – city and suburb. Any attack on urban social and economic problems must treat suburb and city as indivisible parts of a whole.”
- “Fifty years ago all central cities had about the same median family incomes as their suburbs. Over the next five decades median family income of all cities except very elastic [cities] dropped below suburban levels. [*Elastic cities* are cities that have steadily increased their boundaries to capture growth.] The city-to-suburb per capita income percentage is the single most important indicator of an urban area’s social health.”
- “In an elastic area, suburban subdivisions expand around the central city, but the central city is able to expand as well and capture much of that suburban growth within its municipal boundaries. Elastic vs. Inelastic areas:
- Elastic cities capture suburban growth; inelastic cities contribute to suburban growth.
- Inelastic cities are more segregated than elastic areas.
- Inelastic cities have wide income gaps with their suburbs; elastic cities maintain great city-suburb balance.
- Inelastic cities were harder hit by de-industrialization of the American labor market.
- Elastic areas had faster rates of non-factory job creation than inelastic areas.
- Elastic areas showed greater real income gains than inelastic areas.
- Elastic cities have better bond ratings than inelastic cities.
- Elastic cities have a higher educated workforce than inelastic areas.
- Local governance in inelastic regions was highly fragmented; elastic regions had more unified governance.”
- “Tapping a broader tax base, an elastic city government is better financed and more inclined to rely on local revenue sources to address local problems. In fact, local public institutions,

in general, tend to be more unified and promote more united and effective responses to economic challenges.”

Regional solutions are needed to address regional issues. The City Manager’s Finance and Service Review Committee stated in their report, “Over the last several decades, the City of Tucson and Pima County have attempted local, isolated solutions to regional problems. Real solutions must be REGIONAL solutions.” Their report goes on to cite transportation, planning, and economic development as all being regional issues that would benefit from a regional approach.

c) Allow for Better Land Use and Infrastructure Planning to Prepare for Growth

Annexing land that is primarily undeveloped where growth will occur enables the City to properly plan for future development, including the phasing of infrastructure. Other benefits of annexing undeveloped land are to gain control over the land to minimize leapfrog development and eliminate the development of wildcat subdivisions. As our current situation stands, Pima County can approve developments that are far from municipal services and without adequate infrastructure, such as off-site roads.

d) Influence is Related to Population Size

The perceived importance of a municipality is directly related to the size of the municipality in terms of population. This is true within our region, within the State, and within the United States. If the unincorporated urban population were part of the City of Tucson today, Tucson would climb from the 31st largest city in the country to the 17th largest, ahead of Baltimore, Boston, Charlotte, Fort Worth, Washington, Seattle, Denver, and Portland.

Tucson is becoming a smaller and smaller portion of Pima County and of the State of Arizona, as shown in the following table:

	City of Tucson Population as a Percent of Pima County Population	City of Tucson Population as a Percent of State of Arizona Population
1960	80.1%	16.3%
1970	74.8%	14.8%
1980	62.2%	12.2%
1990	60.8%	11.1%
2000	57.7%	9.5%

Tucson really is a much larger city than the official census population number tells the world, and annexation will help the Tucson community begin to include in official counts what Tucson’s true size really is.

The non-profit Municipal Research & Services Center of Washington states, “annexation increases a city’s size and population, and in some instances raises its level of political influence, its prestige, and its ability to attract desirable commercial development. It may also increase its ability to attract grant assistance.”

Bottom Line: Why Annex?

Annexation brings additional revenue to the City and requires the expansion of City service. A financial analysis for each annexation is used to project revenues and expenditures over time. Although in almost every case in the past individual annexations have yielded additional revenue over service costs, annexation is necessary for larger reasons.

Not pursuing annexation is what really costs our community. It costs our community in not being able to manage growth. It costs our community in terms of socio-economic disparities that occur between our central city and the ring of unincorporated residents. It costs our community because the less affluent core residents are funding urban services for the more affluent unincorporated residents. It costs our community in terms of the millions of dollars in lost State shared revenue. It costs our community in terms of political influence. It costs our community when businesses decide to locate elsewhere because of our high property taxes. The bottom line is that our community cannot afford not to pursue annexation. It is desirable and necessary for the long term well being of metropolitan Tucson.

Former City of Tucson Mayor Lew Murphy gave a speech on annexation more than 30 years ago on June 6, 1973. In part he stated,

The only sensible program is for the lines of the city to include the present and foreseeable areas of urban activity...Specifically, I am referring to annexation and the need for the city to assume its responsibility as the local government most logically structured to properly develop the metropolitan valley...Only the city can finally put together a comprehensive system for the transportation, recreation, water and sewage needs of our people.

He went on to say that annexing from the Saguaro National Monument on the east to Gates Pass on the west, from the upper reaches of the Catalina foothills on the north, south to an area just north of Sahuarita would allow the city to properly plan its development,

“preserving the natural open spaces, providing for recreational areas as well a commercial and residential development. And we can do it in such a fashion that it meets the many needs which we anticipate and at the same time preserve the aesthetic environmental values which we all love.”

The non-profit Municipal Research & Services Center of Washington offers these comments in regard to growing areas with an unincorporated urban ring:

Rapid development and population growth frequently occur just outside city boundaries where property is cheaper and zoning laws may be less restrictive. Small and large cities alike are surrounded by “fringe” areas. With the development of fringe communities come the problems that concentrations of people create – increased traffic congestion on inadequate roads, the need for improved police and fire protection, and inadequate land use planning resulting in disorderly growth. The growth of separate fringe areas may produce a complex pattern of government by multiple jurisdictions – city, county, and special districts – that can lead to administrative confusion, inefficiency, duplication, and excessive costs. A logical solution may be annexation. Properly used, annexation preserves a growing urban area as a unified whole. It enables urbanized and urbanizing areas to unite with the core city to which the fringe is socially and economically related. It facilitates the full utilization of existing municipal resources.

4. PROPOSED POSITION STATEMENT/GUIDING PRINCIPLES:

Given that the large unincorporated population hurts our community, what are the options for relief from current situation? There are four options, although the last two are not currently allowed under state law:

- ◆ Annexation by existing jurisdictions
- ◆ Incorporation of new cities
- ◆ Imposition of county unincorporated urban service tax (not currently allowed under State law)
- ◆ Metro government (not currently allowed under State law)

Annexation stands out from the four options. The City of Tucson and other local towns have the power now under State law to pursue annexation. Although a county urban services tax and metro government may be desirable, there are numerous barriers today that make these unlikely in the very near future. New incorporations will help bring more state-shared revenue to our community, but at the cost of adding another local jurisdiction that must come to agreement on regional issues. New incorporations also works against the strategy of Tucson gaining influence through size. Annexation is a tool we have today that can be very effective in improving the long-term health of our region.

To provide overall direction for annexation, the following guiding principles are recommended:

1. Annexation is key to the long term health and viability of the region.

- The City of Tucson will establish a municipal planning area (see next section).
- The City of Tucson will pursue all annexations that are within this MPA.
- Within this MPA, priority areas will be established to guide the phasing of specific annexations.
- The City of Tucson will employ new, innovative approaches to achieve annexation goals.
- Individual annexations will be considered within a comprehensive, long-range planning context.

2. Urban areas should be located within municipalities.

- New development that is urban in nature should only take place within cities.
- Land should be annexed into a city prior to urban scale development taking place.
- Water and sewer service should not be extended to urban development outside of cities.
- Cities have the tools to plan most effectively for growth and development.
- Cities are designed to deliver urban services.
- Counties are not designed to provide urban services and when they do it creates many problems for the community.

3. There are currently an adequate number of municipalities (5) within the metropolitan Tucson area.

- Existing cities should annex adjacent urban areas rather than new incorporations taking place.
- The City of Tucson should remain the largest city in the region.

- The City of Tucson is interested in working with other municipalities to establish appropriate corporate limits that allow for logical extension of services and the viability of each municipality.

The non-profit Municipal Research & Services Center of Washington states: *“Annexation is often preferable to the incorporation of new cities, since new incorporations in urban areas may cause conflicts of authority, the absence of cooperation, duplication of facilities, and an imbalance between taxable resources and municipal needs.”*

5. MUNICIPAL PLANNING AREA

The City of Tucson will, as part of this Annexation Plan, establish a Municipal Planning Area (MPA). An MPA can be thought of as a future municipal boundary line that goes beyond current corporate limits. It typically includes existing urban development in unincorporated areas that are influenced by the jurisdiction, and that have an influence on the jurisdiction. It also includes underutilized land in unincorporated areas where future growth will occur that will be influenced by the jurisdiction and will have influence on the jurisdiction. Establishing this boundary allows a jurisdiction to carry out extra-territorial planning, showing how the undeveloped area should develop, and how infrastructure and services should be extended.

The attached map shows the proposed municipal planning area boundary for the City of Tucson. This is based on projections of where urban population will reside in the future, and where urban population currently exists. The boundaries are not intended to be rigid, but provide strategic direction of where incorporation should occur. The City of Tucson will work with other local cities and towns with an ultimate goal of capturing urban areas in incorporated areas to reduce the burden on Pima County to provide urban services. The City of Tucson will also work with the other jurisdictions in reviewing the boundary lines periodically and revising them as necessary.

How the MPA was Developed: The first step in creating the MPA was identifying existing boundaries of natural areas, such as the national forest boundary, the national park boundaries, and the boundary of Tucson Mountain Park. Next, the existing and future boundaries of other local jurisdictions were identified. This includes the Tohono O’Odham Nation, the Pascua Yaqui, Oro Valley’s “Urban Services Boundary,” and Marana’s “Ultimate Boundary.” Other factors that were used in creating the MPA were:

- the boundaries of the Water Department service area,
- where an urban density currently exists that is contiguous to the City of Tucson and not within the published future boundaries of another jurisdiction, and
- where an urban density is projected based on estimates of future population growth.

It is important to note that the creation of an MPA does mean that the City of Tucson is publicly declaring that the City is now pursuing annexation of this large area. Specific annexation maps will be drawn for individual annexations, and those will be evaluated separately. However, all future annexations that are proposed should be within the established MPA. Given current annexation laws, annexation of developed areas will most likely continue to be incremental.

In addition, for undeveloped land located within the MPA, the establishment of the MPA should not be confused as being a declaration of where immediate development should occur. The MPA will help the City in determining how to phase infrastructure and managing future growth.

It does not indicate that the City is in favor of development on all vacant land within the MPA at this time.

The Department of Urban Planning and Design will develop a comprehensive plan that identifies the capital and operating resource needs within the MPA, including a phasing mechanism for adding the identified resources. This model will be used as a guide to add resources as the City boundaries grow. The City's past practice has been to only look at newly annexed areas in a piecemeal fashion by identifying resources needed to serve that immediate area. Because many annexations are small, only portions of whole resources, such as 1/8th of a police officer, are identified as being needed. While analyses for individual areas are still needed, having a comprehensive plan that identifies resource needs for larger areas will provide a more complete picture of resource needs in growth areas.

6. PRIORITY AREAS FOR ANNEXATION

Determining priority areas for annexation is necessary in order to identify for the community which areas are most important for the City. It will also inform Pima County and developers of the City's planning goals prior to annexation. In addition, the identification of priority areas will allow City annexation staff to target their effort, increasing the chance of success for annexation, and allowing the most efficient use of the limited staff resources that are dedicated to annexation. Although this plan identifies priority areas for annexation, flexibility is key when considering whether or not to pursue individual annexations. We must always consider an individual annexation in the larger context of what is good for our community.

In determining priority areas for annexation, it is useful to separate potential annexation areas into two broad categories: 1) primarily vacant undeveloped land, and 2) primarily developed land. Below is a discussion of whether one category has a priority over the other, followed by a discussion of priorities within these two categories.

- **Vacant Land or Developed Land: Which is a Priority?**

For the City of Tucson, it is important to pursue annexation of *both* vacant and developed land. It is necessary to annex primarily undeveloped land in order to capture areas where growth will occur. Doing so enables the City to properly plan for future development, including the phasing of infrastructure. Another benefit of annexing undeveloped land is to gain control over the land and minimize leapfrog development. Undeveloped land usually has a small number of property owners, sometimes only one, and annexation is relatively easy. Once the land is developed and numerous property owners are present, gathering the necessary signatures consumes a great deal of staff time and success is much more difficult.

Annexation of developed property is important for the City in order to reduce the service burden on Pima County, which will hopefully translate to a lower, or at least stable, County property tax. Annexation of developed residential areas also help our community re-capture some of the State Shared Revenue that our residents pay to the State that are returned only to cities and towns based on population.

Developed residential areas that are just beyond City of Tucson borders have an impact on the City's demand for service. Many people living in urban unincorporated Pima County come in to the City to work, shop, or play. Traveling on City roads places additional stress on City funded

infrastructure, adds additional congestion to City roads, and requires City public safety crew response in the event a traffic accident occurs. There are other public safety issues that affect City residents even though the origin of the issues is beyond our border. Neighborhood crime on the edge, for instance, spills into City neighborhoods. Code violations on commercial and industrial property beyond our border can result in a large scale incident, such as a fire or large chemical spill, that can affect City residents and businesses. Annexation allows the City to impose taxes and fees on people that are already using City-funded infrastructure and services. Annexation is also an approach for reducing the risk to existing City residents by allowing the City to address problems that are just beyond the City's border that put current City residents in danger.

Many of our community's biggest issues, such as transportation and growth planning, are regional in nature. A regional approach to solving these issues increases the chance to develop successful approaches and solutions. Working more collaboratively with neighboring jurisdictions and Pima County on community issues is the most straightforward strategy for developing regional solutions. A complement to this strategy, however, is for the City of Tucson to annex populated areas. As the City annexes populated areas, the City becomes a larger portion of the total urban area. Approaches and solutions developed by the City will therefore affect a larger proportion of our entire community.

- **Priorities Within Categories**

Although the City should pursue annexation of both vacant land and developed land, it is important to delineate priorities within these categories in order to target staff resources.

For predominantly vacant land, the City should identify the southeast area of our community as the top priority. This area has been identified as where most of our future growth will occur. Population growth projections show that 58% of the growth in the metropolitan area beyond current City of Tucson borders will be in the southeastern portion of our community (projections through 2050, see attached map and population projection chart).

For developed, populated land, the City should identify the 1st Avenue and River Road area and the Bear Canyon and Tanque Verde area as top priorities. Annexation of developed areas should be based on: 1) the ability to serve the area (e.g., proximity to a fire station), 2) revenue/cost analysis, 3) strategic value of the location (i.e., would allow annexation of another desirable area), and 4) an estimate of the staff resources necessary to complete the annexation versus the benefits when compared to other potential annexation areas.

Public safety and solid waste are City services that are "delivered" to the homeowner's door, and are therefore key when analyzing service capacity of potential annexation areas. Location of fire stations are especially key, because the distance from stations to the homes and businesses is the overriding factor in meeting required response times. Police response times are equally important to public safety, however, Police respond from patrolling cars, not from stations.

Review by the Fire, Police, and Environmental Services Departments indicate that they have the ability to adequately serve several areas adjacent to current City limits. The 1st/River and Bear Canyon/Tanque Verde areas rose to the top of the priority list because the Fire Department will construct a new fire station in the vicinity of these two intersections in 2004, with completion due in 2005. Both stations will be located near the edge of the existing City border, allowing fire crews to easily serve the areas to the north that are currently in the unincorporated area.

Neither area poses service challenges for Fire, Police or Environmental Services. Although specific revenue/cost analyses cannot be performed until actual maps are drawn, cursory reviews of both general areas indicate that these areas would most likely generate financial surpluses for the City of Tucson. Regarding the strategic value of these areas, both will allow for continued annexation into the heavily populated, urban northern portion of our community. Staff resources necessary to pursue annexation of these areas are anticipated to be reasonable.

- **Annexations of Opportunity**

In addition to pursuing annexation of priority areas, City staff will continue to carry out “annexations of opportunity.” These are potential annexations where the property owner, or property owners, approach the City stating a desire for annexation. Oftentimes, a developer will approach the City as he/she is gathering pertinent data that will affect how their land will be or should be developed. Talking to City staff and comparing development in the unincorporated area of Pima County to development in the City is a frequent practice for developers owning land adjacent to the City. Many times, a rezoning is necessary to develop the property in accordance with to developer’s plans, and the likelihood and ease of rezoning the property in the City is compared to the likelihood and ease of rezoning in the unincorporated area. (Arizona cities are prohibited from “contract zoning,” i.e., promising a rezoning in exchange for annexation.)

Annexations of opportunity also arise when homeowners contact the City with a desire to have their neighborhood annexed. If these annexations are not in priority areas, City staff will ask the homeowner to assess support for annexation by talking to neighbors and raising the issue at neighborhood association meetings. City staff will develop a “How to Annex” guide to self-direct residents interested in having their neighborhood annexed. If support for annexation is high and the staff resources necessary to pursue the annexation are reasonable given other potential annexations, the City will pursue the annexation. It is important for the City to be responsive to potential new residents and businesses desiring annexation.

- **Annexation of “Landmarks”**

The City of Tucson has a long history of discussing and/or pursuing annexation of several “high profile” potential annexation areas. Included in this list are the Tucson International Airport, the University of Arizona’s Science and Technology Park, Raytheon, the Palo Verde Corridor, and the Tucson Country Club Estates neighborhood. Each of these “landmarks” are desirable for annexation for various reasons that are unique to each landmark, but all share a common reason for being desirable in that they are highly visible and viewed by the residents as important assets of our community. Many believe that these assets help define Tucson, and should for this very reason, be within the City limits. Others believe that these landmarks will generate large tax revenues for the City, and, because they reap the benefits of locating in Tucson, it is their responsibility to join the City and contribute their full share of taxes to City to the benefit of all existing residents.

Although it is not fair or possible to generalize about these very different potential annexations, it can be said that for each of these, the City has had in-depth discussions involving high level governmental officials and property owner representatives over many, many years. In most cases, City staff has performed extensive revenue/cost analyses and have developed comprehensive pre-annexation and development agreements. In almost all cases, the City of

Tucson has invested an enormous amount of staff time and resources to pursue these potential annexations. Because of the complexity of the issues and, in most cases, the lack of true desire by the other parties to become part of the City, the efforts have fallen short.

Although the City desires to annex these landmarks, it will take political leadership for these to be successful. City staff should not invest additional staff time in these annexations until a clear message is delivered from the highest representative of the property that annexation into the City of Tucson is desirable and they will work to make it occur.

7. PROPOSED NEW ANNEXATION POLICY

As stated earlier in this plan, the 1992 annexation policies do not provide adequate guidance for the City. The proposed new policy begins with the guiding principles discussed above, and then provides direction regarding the pursuit of specific annexation areas. The proposed policy is:

The City of Tucson believes that:

- **Urban areas should be located within municipalities.**
- **There are currently an adequate number of municipalities (5) within the metropolitan Tucson area.**
- **Annexation is key to the long term health and viability of the region.**

The City of Tucson will pursue annexation of both vacant/underdeveloped land and developed land within an adopted Municipal Planning Area (MPA). Each potential annexation area will be analyzed in terms of: 1) development/growth potential, 2) projected revenues to be received and projected costs to serve, 3) ability/capacity to serve, 4) strategic importance of the location, 5) the staff resources necessary to complete the annexation versus the benefits when compared to other potential annexation areas, and 6) any other factors that are relevant to the analysis.

The decision to recommend pursuing an annexation will be based on a comprehensive look at all of the factors listed above.

A policy that is directed internally is also recommended. Currently, when a financial analysis is performed, each City service department is asked to determine the resources needed to serve the potential annexation area at the same level that their department is currently providing service to the City. This information is submitted to the annexation office and reviewed. When finalized, this service analysis comprises the expenditure side of the analysis. The City does not have a policy that states that these resources will automatically be included in future budgets if the annexation is successful. This has been an issue for City departments who are eager to support annexation but believe that sometimes their resources are not increased to meet growth through annexation. When resources are not added, it is to the detriment of existing City residents as City resources are stretched to cover new areas. Therefore, the following internal policy is recommended:

Resources identified by City departments and included in the final financial annexation analyses for specific annexations will be included in the Recommended Budget in the amounts outlined in the analyses. If actual growth and/or development varies significantly from projections made during the analysis, resource allocations will be changed accordingly.

As mentioned above, the Department of Urban Planning and Design will develop a comprehensive plan that identifies the capital and operating resource needs within the MPA, including a phasing mechanism for adding the identified resources. This will help ensure that City resources are available to properly serve newly annexed areas.

8. STRATEGIES AND TACTICS

City staff will develop specific strategies and tactics that will be used to help ensure a successful annexation program and will bring this information to Mayor and Council for review and approval. Below are general comments regarding strategies.

A. Messages – define for various audiences

The fundamental component to communicating the need for annexation is the message. The goal of a message is to have the audience clearly understand theme of the argument, and then to have them identify with the main point, or at least be open to learning more. For the City of Tucson, there needs to be an overall message, and also other more targeted messages that are aimed at specific groups. This document includes most if not all of the points that will make up the overall message (i.e., why annexation is important for our community).

Targeted messages are needed for:

- ◆ Residential areas
- ◆ Commercial retail
- ◆ Commercial non-retail
- ◆ Developers
- ◆ Vacant land owners
- ◆ State land officials
- ◆ City employees
- ◆ Existing City residents

B. Communication plan/education (internal/external)

The messages that are developed will become part of a communication plan that will delineate how the messages will be delivered. The goal of the communication plan is to include a strategy that will ensure the highest probability that the audience will accept the message.

C. Develop specific approaches for each annexation area

In addition to a communication plan, specific approaches will be developed for each annexation area. Each annexation area must be analyzed to determine a strategy that will help ensure success.

D. Develop general approaches for each of the following types of annexation:

- ◆ Residential (e.g., meet in small groups and let neighbors sell to neighbors)
- ◆ Commercial retail
- ◆ Commercial non-retail
- ◆ Impending development

- ◆ Vacant land
- ◆ State land

Priority Areas vs. Non-priority areas

In priority areas, the City will pursue annexation by contacting property owners. In non-priority areas, the City will not contact property owners, but will nevertheless be responsive to requests for annexation by supplying information and guiding the process. The property owners may be asked to play a larger role in the pursuit of the annexation for non-priority areas.

9. APPROACH TO LEGISLATIVE CHANGES

Develop a strategy for obtaining legislative changes to annexation laws:

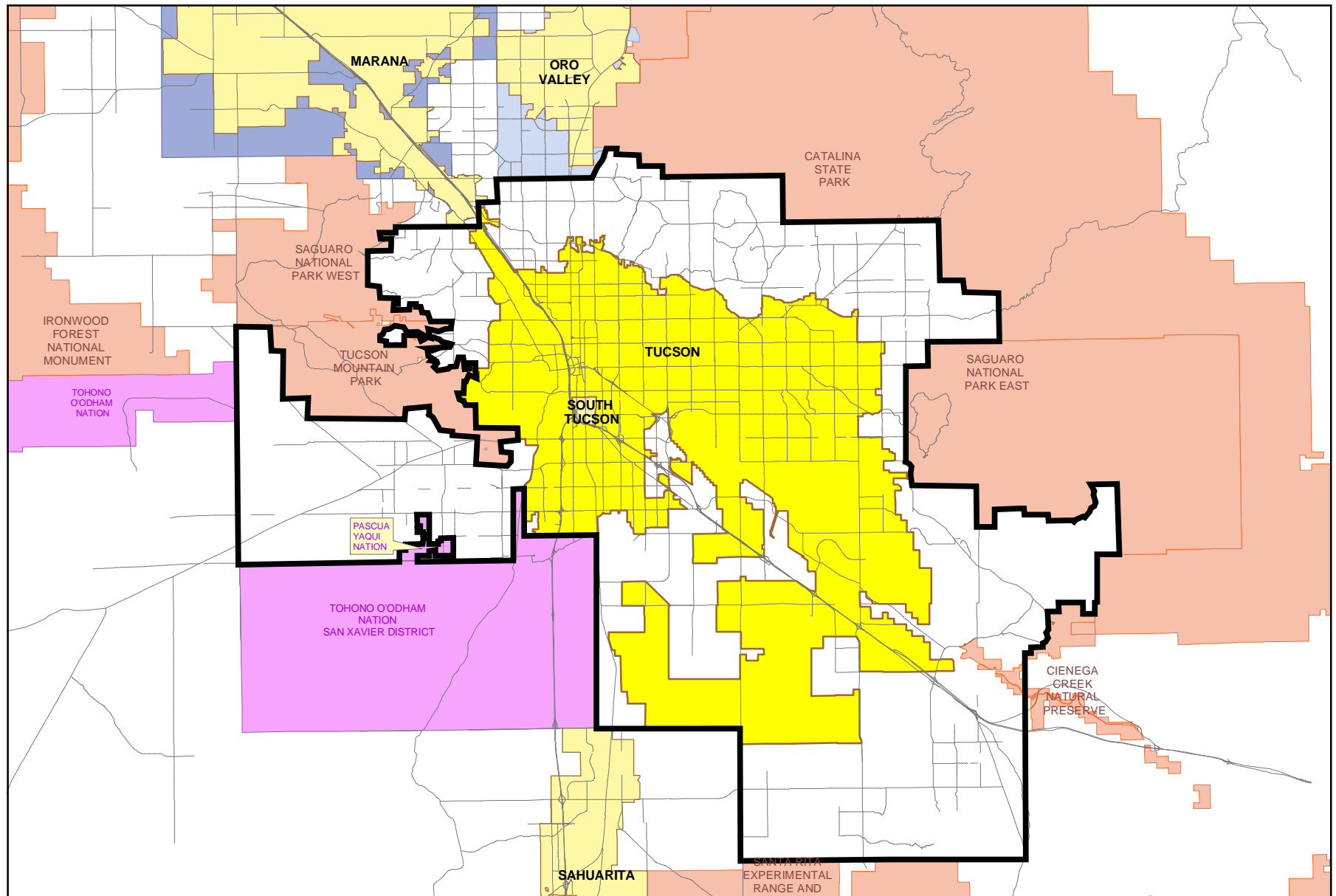
- ◆ Identify problems/issues with current law
- ◆ Research other state laws and practices
- ◆ List and prioritize law changes that would most address current problems
- ◆ Analyze list to determine probability of acceptance by other local jurisdictions, Maricopa jurisdictions, and state lawmakers
- ◆ Meet with other local jurisdictions to discuss proposed changes and garner support

10. SUMMARY

Over its history, annexation has been an important tool for the City of Tucson to increase its corporate boundaries and capture some of the growth that has occurred in the community. Recent history shows that the City has had more success annexing vacant land where growth is projected than annexing large numbers of people living in already developed areas. Continued success in annexing vacant and underdeveloped land will allow future development to occur within the City's boundaries. A continued, sustained effort to annex developed heavily populated urban areas is needed to ensure that all urban areas are eventually included in an incorporated municipalities and not left to be served by Pima County. Tucson, as the central core city in the Tucson valley, should have most of these areas added to its corporate boundaries.

To help ensure the long term viability of our community, the City of Tucson must continue to pursue annexation. There is much work to be done. Vast tracts of mostly vacant land to the south and southeast where growth will occur currently lie in unincorporated Pima County. The unincorporated but heavily populated urban belt to the north has been mostly untouched by annexation. It is important for the City to continue to educate the public on how annexation is needed to sustain the viability of the region. Without annexation, the central city will continue to become poorer and poorer as the fringe area becomes more and more affluent. This will continue until the central core reaches a point where a decline in the entire metropolitan area can be expected.

Action must be taken now to reverse these trends. Annexation is one tool that will help contribute to the success of the metropolitan Tucson area. A unified metropolitan area uses a regional approach to solve problems, utilizes tax dollars in the most efficient way, and breaks down economic and social barriers between residents.

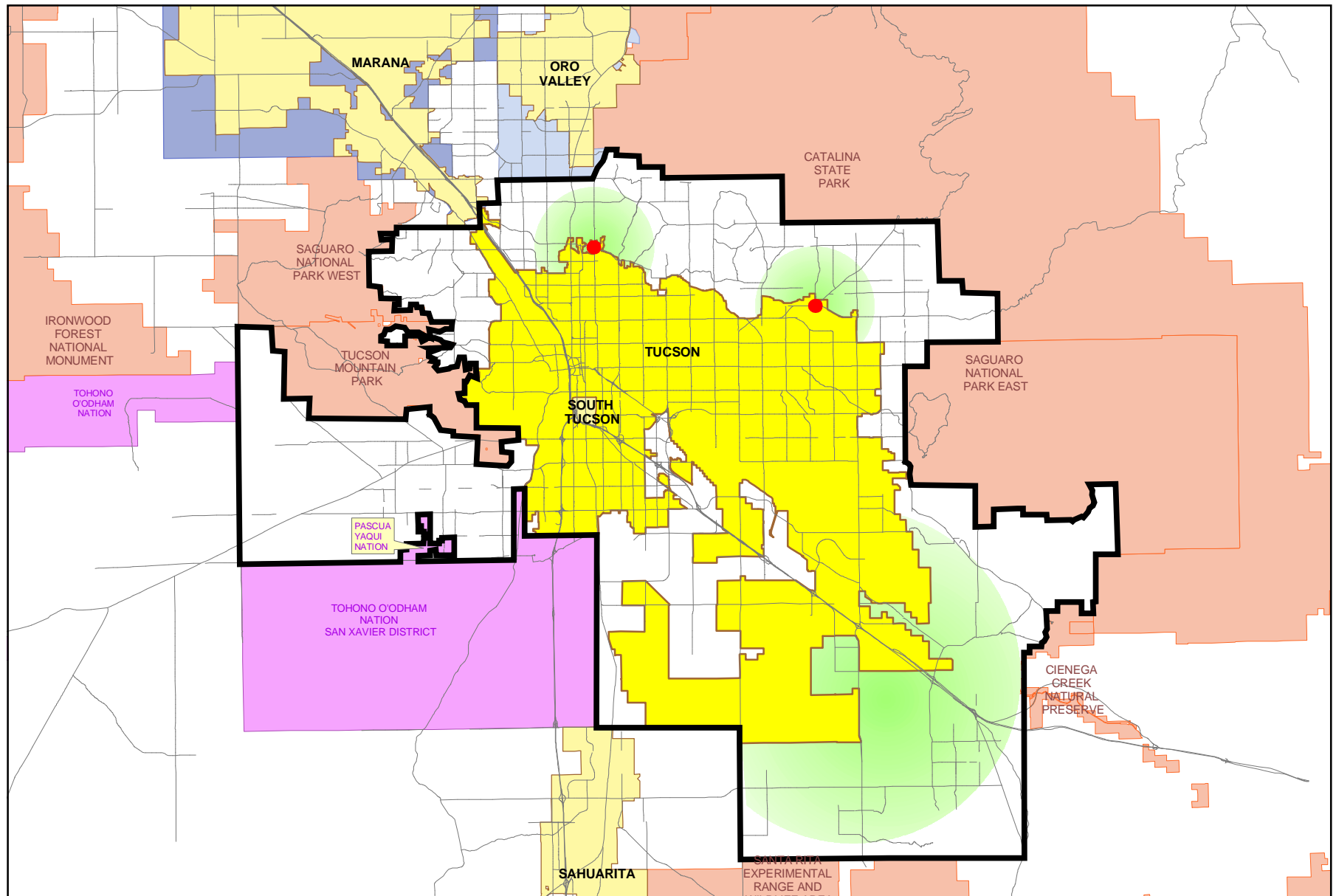


Legend

- Municipal Planning Area
- Major Streets
- City of Tucson
- Other Jurisdictions
- Oro Valley Growth Area and Urban Services Boundary
- Marana Ultimate Boundary Expansion
- Parks and Preserves
- Reservations

0 5 10 20 Miles

City of Tucson Draft Municipal Planning Area



Legend

- New COT Fire Stations
- Municipal Planning Area
- Major Streets
- City of Tucson
- Other Jurisdictions
- Oro Valley Growth Area and Urban Services Boundary
- Marana Ultimate Boundary Expansion
- Annexation Priority Areas
- Parks and Preserves
- Reservations

0 5 10 20 Miles

City of Tucson Draft Municipal Planning Area with Priority Areas